

M/037/0026

Task 3772

Incoming

From: Tom Munson
To: Paul Baker
Date: 8/30/2010 7:46 AM
Subject: Fwd: Denison Mines' La Sal Mine Radon Vents

Tom Munson
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84105
801-538-5321
tommunson@utah.gov

>>> Sarah Fields <sarah@uraniumwatch.org> 8/27/2010 10:35 AM >>>
Dear Mr. Munson,

An August 17, 2010, letter to Paul Baker, Utah Division of Oil, Gas & Mining from Denison Mines (USA) Corp. included a list of the radon vents associated with Denison's uranium mines in La Sal, Utah.

There were some inaccuracies in the La Sal Vent Naming Table.

New vent #21 is listed as Vent Shaft Pandora #5. It is Pandora #2. PD 2 is written on the side of the vent.

Also, new vent # 13, is Vent Shaft Pandora #5, not Snowball #5. PD 5 is written on the side of the vent. PD #5 is the vent where the grate needed to be replaced. Old grate was tossed to the side, rather than being removed from the site.

I can send you photos of these vents.

Additionally, at least two of the radon vents have borehole shafts right next to the vent. These shafts have not been plugged, but are covered and fenced. These vents are new Vent #6 (900 Vent) and new Vent #11 (2300-1). There may be other vents with borehole shafts next to them that have not been plugged. Vent hole areas on BLM land and SITLA land have metal parts laying around on the ground that could be cleaned up.

Denison failed to construct new Vent #25 (Pandora #12) , the vent identified as 3-09 on BLM land as represented in their 2009 application. The vent was constructed in December 2009, but as of last week the required diffuser had not been placed on the vent. The BLM is requiring them to place a diffuser after this was brought to their attention. Although the vent was constructed in December, there is no evidence that any reclamation work has been done. The

road to 3-09 is in a different place than that represented on the map of the proposed vent project submitted to DOGM in 2009.

Further, that vent was constructed prior to filing an application and receiving approval of the Division of Air Quality, pursuant to the requirements of 40 CFR §§ 61.07 and 61.08.

Also, there is no fencing around most of the vents and no signs warning the public that the vents release radon (a hazardous air pollutant), radioactive particles, and possibly other air pollutants, such as particulates from underground diesel engines. Although most of the vents are on public land, there has never been an assessment under the National Environmental Policy Act of the health, safety, and environmental impacts of the release of radon and other radionuclides from the vents, mine shafts, ore pads, waste rock piles, etc.

Sincerely,

Sarah Fields
Program Director
Uranium Watch
435-210-0166
PO Box 344
Moab, Utah 84532



Denison Mines (USA) Corp.
1050 17th Street, Suite 950
Denver, CO 80265
USA

Tel : 303 628-7798
Fax : 303 389-4125

www.denisonmines.com

M/037/0012
cc Tom
Tag 377i

September 28, 2010

Tom Munson
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84105

Dear Mr. Munson:

Re: Questions Raised in Email Correspondence from Uranium Watch dated August 27, 2010.

On August 30, 2010, you forwarded to Denison Mines (USA) Corp. questions and statements you had received from Ms. Sarah Fields of Uranium Watch. That correspondence stated that:

"An August 17, 2010, letter to Paul Baker, Utah Division of Oil, Gas & Mining from Denison Mines (USA) Corp. included a list of the radon vents associated with Denison's uranium mines in La Sal, Utah. There were some inaccuracies in the La Sal Vent Naming Table."

Denison would like to respond to these statements as follows:

Statement 1:

"New vent #21 is listed as Vent Shaft Pandora #5. It is Pandora #2. PD 2 is written on the side of the vent."

Response:

Ms Fields is correct. There is an error on this figure. Over the years, the vents at the La Sal mines have had various names. In an effort to address this, Denison has recently renamed some of the vents to make their names consistent with naming conventions for the other vents. This has resulted in some mistakes on the figure. A revised figure is enclosed for your use. Denison would also like to point out that the vent numbers Ms. Fields is using in her email are a third naming convention based on the order in which they appear in the table. In addition, referring to these vents as "new" is misleading as very few of the vents referenced in the email are actually "new".

Statement 2:

"Also, new vent # 13, is Vent Shaft Pandora #5, not Snowball #5. PD 5 is written on the side of the vent. PD #5 is the vent where the grate needed to be replaced. Old grate was tossed to the side, rather than being removed from the site."

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DIV. OF OIL, GAS & MINING

Response:

Ms. Fields is correct. The vent identified in the 13th row on the table, has in fact been called Pandora #5 and is identified as such (PD 5) on the side of the vent. Denison appreciates, Ms. Fields pointing out this error. Hopefully, our renaming the vents will prevent this type of mistake from recurring in the future. A revised figure is enclosed for your use.

This is also the area where Denison recently repaired the grate covering the vent opening. At the time the grate was repaired, a vehicle of sufficient size was not on site to haul off the previous covering; however, Denison has since removed the old grate from the area.

Statement 3:

"Additionally, at least two of the radon vents have borehole shafts right next to the vent. These shafts have not been plugged, but are covered and fenced. These vents are new Vent #6 (900 Vent) and new Vent #11 (2300-1). There may be other vents with borehole shafts next to them that have not been plugged. Vent hole areas on BLM land and SITLA land have metal parts laying around on the ground that could be cleaned up."

Response:

Denison is currently in the process of reclaiming these holes. The casing has arrived for the re-drilled ventilation shaft of Vent hole 900, and this casing has to be installed prior to plugging the existing hole to ensure the integrity of the new hole as well as worker safety. Vent 2300-1 is in the process of reclamation; however, a certified man-basket was required to ensure we were able to safely close the old hole without destroying the new hole. These old vents will be reclaimed as soon as reasonably possible in accordance with the notices provided to UDOGM. In addition, the former ventilation shaft 2300 #2 which was re-drilled has been reclaimed as well as ventilation shaft 1280.

Statement 4:

"Denison failed to construct new Vent #25 (Pandora #12), the vent identified as 3-09 on BLM land as represented in their 2009 application. The vent was constructed in December 2009, but as of last week the required diffuser had not been placed on the vent. The BLM is requiring them to place a diffuser after this was brought to their attention. Although the vent was constructed in December, there is no evidence that any reclamation work has been done. The road to 3-09 is in a different place than that represented on the map of the proposed vent project submitted to DOGM in 2009."

Response

Denison has agreed that whenever possible, we will place the vent fans underground to prevent noise impacts on federal and private lands. This is the case on this vent hole. The only reason vents require diffusers on the surface are if the fan is on the surface. The application should have stated that diffusers will be installed when a fan is mounted on the surface. Although from an engineering and practical standpoint, this is not a necessary measure and serves no practical purpose on this vent and the cost to Denison will be thousands of dollars (cost is estimated at \$8,000), Denison has agreed to install a diffuser on this vent at the request of Uranium Watch and the BLM.

Denison completed this vent installation in January of 2010, during the winter months when reclamation is not practical. In addition, further maintenance and repairs of this vent were needed and

continued into July of 2010. Denison typically conducts concurrent reclamation following vent installation, in accordance with availability of appropriate equipment and seasonal requirements. The area around this vent is scheduled for reclamation in the fall of 2010, with seeding to occur in the appropriate fall season.

Statement 5:

"Further, that vent was constructed prior to filing an application and receiving approval of the Division of Air Quality, pursuant to the requirements of 40 CFR §§ 61.07 and 61.08."

Response

Individual vents are not stationary sources, but rather the whole mine site is the stationary source. In the past, Denison did not consider the installation of a new vent to generally constitute a modification of a source that would require an approval under 40 CFR 61.08. We understand that in general UDEQ agreed with this approach; however after further consideration Denison and UDEQ have agreed that applications under 40 CFR 61.07 will generally be made for new vent construction. Therefore, in January of 2010, Denison provided UDEQ with a 40 CFR 61.07 application for the approval of the construction of seven additional vents and in that letter indicated that one vent (the vent indicated above) had just been constructed.

Statement 6:

"Also, there is no fencing around most of the vents and no signs warning the public that the vents release radon (a hazardous air pollutant), radioactive particles, and possibly other air pollutants, such as particulates from underground diesel engines. Although most of the vents are on public land, there has never been an assessment under the National Environmental Policy Act of the health, safety, and environmental impacts of the release of radon and other radionuclides from the vents, mine shafts, ore pads, waste rock piles, etc."

Response

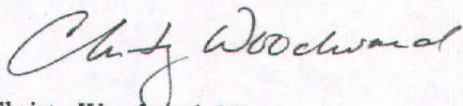
No fencing has previously been required at these vents; however, as you know, Denison is currently working to place fencing and signage at all of the vents. The fencing material was just recently received; however, fencing and signage on public land will require BLM and USFS approval. Denison will begin fencing the vents on private land as weather and resources allow.

It should be noted that these mines predate National Environmental Policy Act (NEPA) regulations; however, it is inaccurate to state that NEPA has never been conducted on the La Sal Mine Complex vents, mine shaft, ore pads, and waste rock piles. Assessments were completed for these mine sites in the early 80's when the NEPA regulations were put in place. It should also be noted that NEPA was conducted on all new vents at the facility. In addition, Denison is currently preparing an amended Plan of Operations (PO) for the BLM and USFS, who will then conduct a formal NEPA analysis for the entire facility (public and private land) to update our permit documents. This upcoming NEPA analysis will assess cumulative impacts and allow the public an opportunity to formally participate in the process.

Please let us know if there is anything else that we can do to help address these statements. Thank you.

Yours very truly,

DENISON MINES (USA) CORP.



Christy Woodward, PE
Environmental Coordinator

Cc: Denison Mines (USA) Corp., File
David C. Frydenlund, Philip Buck, Terry Wetz, Alex Morgan, Denison Mines (USA) Corp.
Paul Baker, Utah Division of Oil, Gas and Mining
Joel Nowak, US Forest Service, Manti-La Sal National Forest
Ben Kniola, Rebecca Doolittle, US Bureau of Land Management